

FEDERAL RESERVE press release



For immediate release

March 28, 1997

The Federal Reserve Board today announced the issuance of a combined Order to Cease and Desist and Order of Assessment of a Civil Money Penalty against Grace Koo, a former employee of BT Securities Corporation, New York, a subsidiary of Bankers Trust New York Corporation, New York.

Ms. Koo, without admitting to any allegations, consented to the issuance of the Order in connection with her alleged involvement in the provision of documentation for leveraged derivative transactions to customers of Bankers Trust New York Corporation and its subsidiaries.

Ms. Koo paid a civil money penalty of \$9,000.

A copy of the Order is attached.

Attachment

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

-----X	Docket No. 96-006-B-I5
In the Matter of :	96-006-CMP-I5
Grace Koo :	
A Former Employee and :	Order to Cease and Desist
Institution-Affiliated :	and Order of Assessment
Party of :	of a Civil Money Penalty
BANKERS TRUST NEW YORK CORPORATION :	Issued Upon Consent
New York, New York :	Pursuant to the Federal
BT SECURITIES CORPORATION :	Deposit Insurance Act,
New York, New York :	as Amended
-----X	

WHEREAS, pursuant to Sections 8(b)(1) and 8(i) of the Federal Deposit Insurance Act, as amended (12 U.S.C. §§ 1818(b)(1) and 1818(i)) (the "FDI Act"), the Board of Governors of the Federal Reserve System (the "Board of Governors") issues this combined Order to Cease and Desist and Order of Assessment of a Civil Money Penalty (the "Order") against Grace Koo ("Koo"), a former employee and institution-affiliated party, as defined in Sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), of Bankers Trust New York Corporation, New York, New York ("BTNYC"), a registered bank holding company, and BT Securities Corporation, a nonbank

subsidiary of BTNYC, in connection with Koo's involvement in the provision of documentation for leveraged derivative transactions to customers of BTNYC and its subsidiaries;

WHEREAS, by affixing her signature hereunder, Koo has consented to the issuance of this Order by the Board of Governors and consented to comply with each and every provision of this Order, and waived any and all rights she might have pursuant to 12 U.S.C. § 1818 or 12 C.F.R. Part 263, or otherwise (a) to the issuance of a notice of charges and of hearing and of a notice of assessment of a civil money penalty; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any matter the basis, issuance, validity, effectiveness, collectibility or enforceability of this Order or any provision hereof; and

NOW, THEREFORE, prior to the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without this Order constituting an admission of any allegation made or implied by the Board of Governors in connection with this proceeding, and solely for the purpose of settlement of this proceeding without protracted or extended hearings or testimony:

IT IS HEREBY ORDERED, pursuant to Sections 8(b) and 8(i) of the FDI Act, that:

1. Upon becoming an institution-affiliated party, as defined in Sections 3(u) and 8(b)(3) and (4) of the FDI Act, of any institution or agency specified in Section 8(e)(7)(A) of the FDI Act (12 U.S.C. §1818 (7)(A)), including, but not limited to, any insured depository institution, bank or thrift holding company, or U.S. agency or branch of a foreign bank, where her duties include, directly or indirectly, providing documentation for derivatives transactions to customers of any such institution or agency, Koo shall take such actions as are necessary, consistent with her responsibilities, to ensure that she will (a) comply with all policies and procedures of her employer as they pertain to such activities, including, where applicable, the preparation and maintenance of accurate books and records, (b) engage in marketing and sales activities that are consistent with her fiduciary duties and with safe and sound banking practices, and (c) comply fully with all applicable laws and regulations.

2. Koo shall pay to the Board of Governors a civil money penalty in the amount of \$9,000. No portion of Koo's civil money penalty shall be, directly or indirectly paid, advanced, reimbursed or otherwise funded by BTNYC or any affiliate or subsidiary thereof.

3. The penalty assessed by this Order shall be remitted in full, at the time of Koo's execution of this Order, payable to the "Board of Governors of the Federal Reserve System" and forwarded with Koo's executed copy of this Order, to William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551, who shall make remittance of the same to the Treasury of the United States as required by statute.

4. All communications regarding this Order shall be sent to:

(a) Ms. Christine M. Cumming
Senior Vice President
Federal Reserve Bank
of New York
33 Liberty Street
New York, NY 10045

and a copy to:

Martin Grant, Esq.
Legal Department
Federal Reserve Bank
of New York
33 Liberty Street
New York, NY 10045

(b) Grace Koo
c/o Carl H. Loewenson, Jr., Esq.
Morrison & Foerster LLP
1290 Avenue of the Americas
New York, NY 10104

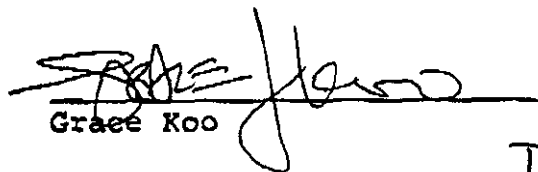
5. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.

6. The provisions of this Order shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank or any federal or state agency or department from taking any other action affecting Koo; provided, however, that the Board of Governors shall not take further action against Koo, based upon information known to the Board of Governors as of the date of this Order, in regards to the documentation, marketing and sale of derivative transactions. Koo agrees and acknowledges that this Order does not bar or estop any criminal charges or prosecutions against her, and Koo hereby waives any right she might otherwise have based upon this Order to assert a defense of double jeopardy in any criminal proceeding.

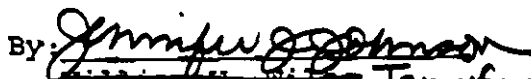
7. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated or suspended by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this ~~26~~^{28th} day of March, 1997.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM


Grace Koo

Deputy

By: 
~~William W. Wiles~~ Jennifer J. Johnson
Secretary of the Board